

# 7 Program Administration

“ New Cal Grant maximum annual award amounts may vary each year depending on the level of funding provided in the Annual State Budget. ”

**T**his chapter describes the types of awards available through the Cal Grant program. It also explains the maximum award amounts available, how students may use their Cal Grant eligibility and how schools may activate awards through WebGrants reports.

## 7.1 Award Types

### Cal Grant A

**Purpose** – Cal Grant A is a tuition assistance program. Awards are for students enrolled in a program of instruction of not less than two academic years that leads to an associate or baccalaureate degree requiring 48 semester units or that results in eligibility for transfer from a community college to a baccalaureate degree program.

There are three Cal Grant A awards available to students: [Entitlement](#), [Transfer Entitlement](#) and [Competitive](#). Please refer to Chapter 3, “Program Descriptions and Eligibility” for more information regarding these awards and the Cal Grant A Reserve program.

**Eligible Schools** – University of California and the California State University, independent colleges and some occupational and career colleges are eligible schools for this program.

**\$\$ Maximum Award Amount** – The grant will pay tuition and fees up to the annual award amount for recipients attending tuition charging schools. Award amounts are determined through the state budget process and may change annually.

New Cal Grant maximum annual award amounts may vary each year depending on the level of

funding provided in the Annual State Budget. Annual award amounts will not exceed the maximum annual award amounts for each type of school. For example, if a student is attending a California State University (CSU), the maximum annual award would be \$2,520 (the maximum annual award amount for the 2005-06 academic year at a CSU). If the student is attending a UC, the maximum annual award amount would be \$6,141 (the maximum annual award amount for the 2005-06 academic year at a UC).

**Tuition and Fees** – Cal Grant A benefits cover up to full systemwide fees at the University of California and the California State University. It provides tuition and fees at independent colleges in California. Cal Grant A awards cannot be used to pay Community College fees. Students who are awarded a Cal Grant A and attend a California Community College will be placed in *Community College Reserve* status and will not receive payment until they transfer to a four-year college.

### Cal Grant B

**Purpose** – Cal Grant B is also a tuition assistance program that has the added component of a living stipend, called “Access.” This program is for students from disadvantaged or low-income families. Coursework must be for at least one academic year, and students must be enrolled at least half-time.

**Eligible Schools** – University of California and the California State University, California Community Colleges, independent colleges and some occupational and career colleges are eligible schools for this program.

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**\$\$ Maximum Award Amount** – The maximum award amount for the Cal Grant B program for most first-year students covers living expenses, books, supplies and transportation, but not tuition and fees is \$1,551. When renewed or awarded beyond the freshman year, the grant covers tuition and fees. The tuition and fee award amounts are the same as those for Cal Grant A. Award amounts are determined through the state budget process and may change annually.

New Cal Grant B recipients awarded through the Entitlement program or the March 2 competition process may transfer to a tuition charging school at any time during their first year of the Cal Grant program and are still eligible to receive the Access portion of the grant at the tuition charging school.

**Student “Access” (living expenses, books & supplies) Payment Option** – Schools are required to establish and publish a policy that informs students of their options regarding receipt of their Cal Grant B award and their subsequent ability at any time to rescind their existing instructions. Many schools ask students to authorize the school to apply a Cal Grant B Access payment to their tuition/fees or other school accounts. This practice is satisfactory; however, the terms and conditions must be provided in writing to all students. Students have the right to rescind the authorization at any time up to the date the fund transaction actually occurs.

If a student rescinds the authorization after the school has applied the Access payment to his or her tuition/fees or school account, the school would no longer apply the Access payment in the future but does not have to refund disbursement made prior to any rescission.

There are three Cal Grant B awards: [Entitlement](#), [Transfer Entitlement](#) and [Competitive](#). Please refer to Chapter 3, “Program Descriptions and Eligibility” for more information regarding the Cal Grant B program.

### Cal Grant C

**Purpose** – Cal Grant C is a tuition assistance grant for vocational students and includes an additional amount for their books and supplies. Students must be enrolled at least half-time in a course of study at least four months in length. Funding is available for up to two years, depending on the length of the program; as long as the student’s academic progress is satisfactory.

**Eligible Schools** – Cal Grant C recipients may attend occupational, career, or technical training course at any California Community College. In addition, the award may be used for nursing and allied health programs at a hospital school, selected courses at several independent colleges and specialized courses at eligible proprietary colleges.

**\$\$ Maximum Award Amount** – Students can receive up to \$576 for training-related costs, including required tools, special clothing, books, equipment and supplies.

Students who plan to attend a school other than a California Community College may also receive up to \$2,592 in tuition assistance.

Please refer to Chapter 3, “Program Descriptions and Eligibility” for more information regarding the Cal Grant C program.

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### 7.2 Payment Periods for Non-traditional based schools

The Commission recognizes that not all schools operate within the traditional payment period (i.e. quarter or semester terms). Since payment periods vary, schools should contact Cal Grant Operations Branch staff to determine the most appropriate maximum payment period for their students.

### 7.3 Using Eligibility in the Cal Grant Programs

The Cal Grant programs were designed to give students an opportunity to complete a postsecondary education through a vocational program, a community college program, or a four- or five-year degree program. Upon receipt of a Cal Grant award, students are assigned a level of eligibility based on their grade in college. The level of eligibility represents the total amount of time the student may receive payment in the Cal Grant programs. One hundred percent (100%) represents one year of full-time payment at a traditional term-based school (i.e. quarter or semester terms).

#### Level of Eligibility

- |                    |      |
|--------------------|------|
| • Freshman (EL 1)  | 400% |
| • Sophomore (EL 2) | 300% |
| • Junior (EL 3)    | 200% |
| • Senior (EL 4)    | 100% |

For example, a student who enters a Cal Grant program as a freshman will receive 400% eligibility. While eligibility usage is tied to attendance status, eligibility is used for each term the student receives payment and the amount of usage is determined by the type of term. For instance:

- if a student attends a semester or trimester term school, 50% of eligibility will be used for each full-term payment, **or**

- if a student attends a quarter term school, 33.33% of eligibility will be used for each full-time term payment.

Eligibility is also adjusted for part-time attendance. The following is a breakdown of eligibility based on term type:

| Type of Term                   | Eligibility Used |
|--------------------------------|------------------|
| ► <b>Semester or Trimester</b> |                  |
| Full-time                      | 50%              |
| Three-quarter time             | 37.5%            |
| Half-time                      | 25%              |
| ► <b>Quarter</b>               |                  |
| Full-time                      | 33.33%           |
| Three-quarter time             | 25%              |
| Half-time                      | 16.67%           |

Once a school reports a payment of a student and the Commission's WebGrants system accepts the payment, the system automatically reduces the student's eligibility according to the breakdown listed above.

### 7.4 Award Activation New Cal Grant Awards

A new recipient is a student who has been newly awarded a Cal Grant in the current year. New recipients' award amounts are determined by the type of school and the Cal Grant program awarded.

In January, the Commission begins making Cal Grant Entitlement awards. Schools may view the awards online through WebGrants. Schools may begin adding students to their roster by

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reporting school change (SC) transactions or reporting students who are not in attendance (NA) transactions through the WebGrants Cal Grant Roster screen. The school change, not attending and yes attending (YA) codes will be the only transactions available at this time.

As each successive Cal Grant award process is completed, new students will continue to be added to the roster. All records will appear with a message “Payment Transaction is in HALT PAY STATUS - No payments allowed” until such time as the Commission authorizes payments for the new fiscal year.

**State Budget/Fall Advances-** The Commission begins sending initial award notifications to students in January. However, schools may not begin processing Cal Grant payment transactions for initial and renewal awards until the Governor signs the State Budget Act and after the Commission has issued the fall fund advances. Fall advances are sent to schools in August and October. Schools can select which month (either August or October) is best for their administration of the Cal Grant program.

New Cal Grant recipients must activate their awards to remain eligible for payment. Either a payment or a leave of absence must be processed for the initial fall term.

**On or After July 1-** New Cal Grant A and B recipients receive their first Cal Grant award payment in the fall term of the award year and not prior to July 1 of the award year. New Cal Grant C recipients may receive their Cal Grant C payments for summer term course work which begins on or after July 1.

For information regarding the selection process for new Cal Grant recipients, please refer to Chapter 5, “Cal Grant Award Selection Process.”

### Renewal Cal Grant Awards

A renewal recipient is a student who has been awarded a Cal Grant in a previous award year and has remaining eligibility. The first Cal Grant roster for renewing recipients will assume maximum eligibility based on need and remaining eligibility. After a school reports a renewal student’s Cal Grant need and the Cal Grant roster is processed, any adjusted award amount and the amount a student may be paid for each term will appear on the school’s next Cal Grant roster. It is not required to wait until the need amount is processed to report a payment to a renewal student.

Renewal students are notified by mail and are added to the Cal Grant roster the beginning of July. Schools may process school changes, at this time, for students who are transferring to their institution for fall term. Renewal students must have a minimum financial need of \$100 in order to receive payment in the Cal Grant program.

For information regarding the renewal process, please refer to Chapter 6, “Renewal of Cal Grant Award.”

## 7.5 Report Activation



The Commission provides reports such as the *Unable to Determine* report, the *Automatic Leave* report and the *Unclaimed Awards* report to assist schools in determining which students have potential Cal Grant eligibility. These reports are available on WebGrants on the Data Transfer Report Download screen. Schools are not required to work these reports. However, these reports are produced to assist schools in locating students who may have payment eligibility. The “User Guide” and record layout information for these reports are available on WebGrants in the “Help Center.”

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### **Unable to Determine Report**

The “Unable to Determine” report is available to schools each year at the beginning of July. The report lists Cal Grant recipients whose awards cannot be renewed for the next academic year because the Cal Grant Roster has not been updated with the required number of terms from the prior academic year. The report is generated one month before recipients are contacted by the Commission. This allows schools time to review the report and determine which students require payment(s).

**Minimum number of periods-** The minimum number of payment periods that the Commission needs a transaction for is one semester for schools set up for semester payments and two quarters for schools set up for quarter payments. The types of transactions that will activate renewal consideration include any dollar amount of a Cal Grant payment or a leave of absence. If a payment or a leave of absence transaction is reported for the minimum number of payment periods, the award offer will be renewed, assuming the student has sufficient remaining program eligibility.

Students whose awards cannot be renewed due to unreported terms from the prior year are sent an “Unable to Determine” renewal eligibility letter in August. The letter instructs students who were enrolled in school to request that their school report their payment eligibility status to the Commission. For those students who were not enrolled in school, the student is instructed to submit a leave of absence to the Commission. If a payment transaction or leave of absence remains unreported for the minimum number of terms, the student’s award will be withdrawn. Two “Unable to Determine” letters are sent to a student prior to withdrawal of a Cal Grant award.

### **Automatic Leave Report**

The Automatic Leave report lists those students whose Cal Grant award was renewed for the next academic year, but has at least one payment period missing on the Cal Grant Roster transaction. A student attending a semester school who wishes to retain Cal Grant eligibility until attending a higher cost school, for instance, may be renewed by simply having one leave of absence reported for the year. The student will be considered to be on “automatic leave” for the other two terms of that award year. The Commission automatically calculates the student’s eligibility for leave.

### **Unclaimed Awards Report**

To assist schools in identifying Cal Grant recipients who may be enrolled at their institution, the Commission has developed the Unclaimed Awards Report.

An unclaimed award is any new or renewal awards for which no positive dollar amount has been reported and accepted by the Commission for a specific academic year. New Cal Grant recipients will appear on the report for any school that was listed on their ISIR (up to six eligible California institutions) or their current school of record. Renewal students will only appear on the report for their school of record.

This report is available on WebGrants and is produced quarterly beginning in October of the award year. The report is available on the Data Transfer Report Download screen in both a report and a data file format. Each time the report is run it will replace the previous report and data file. The dates on which this report is available appear on the WebGrants production calendar.